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T.R.A. DOCKET ROOM

January 15, 2004

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Chairman Deborah Taylor Tate  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**Via Federal Express**  
**Priority Overnight Delivery**

**Re: Petition of Atmos Energy Corporation for Approval of Franchise Agreements  
with Williamson County and Johnson City, Tennessee  
Docket No. 03-00520**

Dear Chairman Tate:

Please find enclosed the original and fourteen copies of each of the following documents for filing in the above-referenced matter:

- (1) Direct Testimony of Michael K. West;
- (2) Direct Testimony of Denise Manning; and
- (3) Direct Testimony of Rogers Anderson.

Please stamp the extra copies "filed" and return them to me in the enclosed envelope.

Thank you for your assistance in this matter. Please do not hesitate to contact me if you have any questions about this filing.

Sincerely,

Joe A. Conner

JAC:klc  
Enclosures

C IAC 290856 v1  
2015477-000017 01/15/2004

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

2004 JAN 16 PM 9:29

IN RE: PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL OF  
FRANCHISE AGREEMENTS WITH  
WILLIAMSON COUNTY AND  
JOHNSON CITY, TENNESSEE

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DOCKET NO. 03-00520

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**DIRECT TESTIMONY OF  
DENISE MANNING**

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**Q: Please state your name, place of employment and title.**

**A:** My name is Denise Manning. I am employed by Atmos Energy Corporation, Midstate Division ("Atmos") as the Manager of Public Affairs for Tennessee.

**Q: In your capacity as the Manager for Public Affairs for Atmos, are you familiar with the natural gas distribution system operated by Atmos in Williamson County, Tennessee?**

**A:** Yes. I am familiar with the operation in Williamson County and the other adjoining communities that are served by the system.

**Q: Please give the Authority an overall description of the Williamson County, Tennessee system and the customers served.**

**A:** The total number of linear feet of pipe in the Williamson County, Tennessee system which serves both residents inside and outside of the County is approximately 2.3 million linear feet. Of the total amount of pipe, approximately 1.6 million linear feet is located outside of Williamson County but is interconnected and dependent upon the distribution system located within the County.

There are approximately 25,760 customers located within Williamson County which are served by the natural gas distribution system owned and operated by Atmos. Of that amount, approximately 23,700 are residential customers and 2,060 are commercial and industrial customers. The majority of the pipeline in the distribution system is located within the public rights of way of Williamson County. Without access to these public rights of way, Atmos could not adequately maintain, replace and/or operate its distribution system.

23 **Q: Has Atmos operated a natural gas transmission and distribution system in**  
24 **Williamson County for a number of years?**

25 A: Yes, Atmos and its predecessors have operated for several years in Williamson County  
26 under a previous franchise agreement with the County. The prior agreement allowed  
27 Atmos to operate a gas transmission and distribution system within Williamson County  
28 and to use the public rights of way of the County for its distribution system and related  
29 plant and access thereto. The prior franchise agreement did not contain a franchise fee  
30 and it was set to expire in 2007.

31 In 2003, Atmos entered negotiations with Williamson County for an extension of the  
32 franchise agreement. As a result of the arms-length negotiations, the Company and  
33 Williamson County entered a license agreement which grants Atmos a franchise for a  
34 fifteen (15) year term and imposes a franchise fee of 5% of the annual gross revenues  
35 received by Atmos from the sale of natural gas to customers located within the  
36 unincorporated areas of Williamson County. This franchise fee is within the range of the  
37 franchise fee percentages previously approved by the Authority in other jurisdictions  
38 served by Atmos.

39 **Q: In your opinion is the continued operation by Atmos under the franchise submitted**  
40 **for approval to the Authority in this proceeding in the public interest?**

41 A: Yes. Without this franchise, Atmos would be unable to feasibly operate, maintain,  
42 replace and/or extend the service to the customers it currently serves. In addition, there  
43 are no other feasible options for the supply of natural gas to the vast majority of the  
44 customers currently served by Atmos in Williamson County. These customers depend on  
45 Atmos to supply natural gas to their homes and businesses.

46 **Q: Are you also familiar with the natural gas distribution system operated by Atmos in**  
47 **Bedford County, Tennessee?**

48 A: Yes. I am familiar with the operation in Bedford County.

49 **Q: Please give the authority a general description of the Bedford County, Tennessee**  
50 **system and customers served by Atmos.**

51 A: The total number of linear feet of pipe in the Bedford County, Tennessee system which  
52 serves both residents inside and outside of the County is approximately 0.67 million  
53 linear feet. Of the total amount of pipe, approximately 0.54 million linear feet is located  
54 outside of Bedford County, but is interconnected and dependent upon the distribution  
55 system located within the County.

56 There are approximately 7,230 customers located within Bedford County which are  
57 served by the natural gas distribution system owned and operated by Atmos. Of that  
58 amount, approximately 4,325 are residential customers and 2,905 are commercial and  
59 industrial customers. The majority of the pipeline in the distribution system in Bedford  
60 County is located within the public rights-of-way of Bedford County. Without access to

61 these public rights-of-way, Atmos could not adequately maintain, replace and/or operate  
62 its distribution system.

63 **Q: Has Atmos operated a natural gas transmission and distribution system in Bedford**  
64 **County for a number of years?**

65 A: Yes, Atmos and its predecessors have operated for a number of years in Bedford County.  
66 In 2003, Atmos entered negotiations with Bedford County for a thirty year franchise  
67 agreement. As a result of the arms-length negotiations, the Company and Bedford  
68 County entered an agreement which grants Atmos a non-exclusive franchise for a thirty  
69 year term. The franchise was adopted by ordinance of the County Board of  
70 Commissioners of Bedford County, Tennessee on June 10, 2003. There is no franchise  
71 fee imposed under the terms of the Agreement.

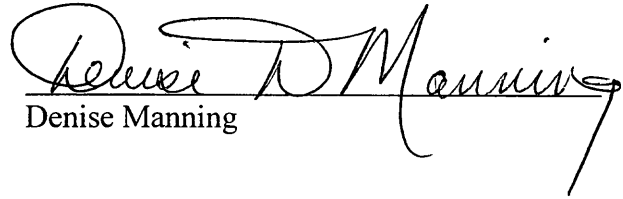
72 **Q: In your opinion, is the continued operation by Atmos under the franchise submitted**  
73 **for approval to the Authority in this proceeding in the public interest?**

74 A: Yes. Without this franchise, Atmos would be unable to feasibly operate, maintain,  
75 replace and/or extend the service to customers its currently serves. In addition, there are  
76 no feasible options for supply of natural gas to the vast majority of customers currently  
77 served by Atmos in Bedford County. These customers depend on Atmos to supply  
78 natural gas to their homes and businesses.


79 **Q: What is your opinion in regard to the necessity of the approval of this franchise**  
80 **agreement?**

81 A: As in the case of the franchise agreement with Williamson County, the franchise  
82 agreement with Bedford County is necessary and proper for the public convenience and  
83 properly serves and protects the public interest of the citizens of Bedford County,  
84 Tennessee.

85 No further questions.

  
Denise Manning

Sworn to and subscribed before me  
this 14 day of January, 2004.

  
Notary Public

My Commission Expires: 5/30/2007